



Senator Mary Lazich
Testimony, Assembly Committee on Ways and Means
Assembly Bill 400 - State Legislative Oversight of Budgeting Act
January 12, 2012

Chair Kerkman and members of the committee, thank you for your attention to Assembly Bill 400, the State Legislative Oversight of Budgeting Act.

This past summer the Wisconsin Legislature approved a comprehensive budget that created a stable and prosperous environment for businesses to create jobs, workers to have jobs, and for our economy to grow. While we were confident with the budget plan, we recognize the enormous challenges facing state agencies. Virtually all state agencies will be forced to make difficult decisions to meet budget goals provided by Governor Walker and the State Legislature. Therefore, it is incumbent upon us, the Legislature, to be proactive overseeing state appropriations and agency management of funds, including federal money, and fees.

Assembly Bill 400 will require all state agencies to provide both personal and written testimony before the Joint Legislative Audit Committee (JLAC) about each agency's fiscal and operational condition. Under the bill, one-quarter of all state agencies must submit the report and appear before JLAC each fiscal quarter. This report must include agency balance sheets, an accounting of agency expenditures exceeding \$100, the number of persons employed by the agency, aggregate payroll data, and a list of programs administered by the agency. The report must also provide an explanation of each program, as well as identification of the statutory provision requiring the program. Further, the report must include data relating to employee salary growth and benefit cost.

As past practice, once the state's biennial budget is approved by the Legislature and signed into law by the Governor, the legislature delegates budget oversight and adjustment to the Governor, and we feign frustration and ignorance about projected revenues falling short or cost overruns. This is especially important given our states' current financial situation, and the level of cuts we have asked of state agencies.

Since 2002, every biennial budget the Legislature has approved fell out of balance and required reduced services, increased taxes, increased borrowing, or historic legislative action to repair the budget, to keep state government from expanding debt. This practice of failing to approve real balanced budgets and shifting obligations to future budgets puts Wisconsin's taxpayers and our economy at risk.

If approved, Assembly Bill 400 will provide a vital new mechanism for legislative oversight of state appropriations. It is our hope that, through this reasonable oversight process, potential problems with revenue projections, staffing levels, caseloads and cost overruns, can be rectified quickly and efficiently. It will also provide transparency within state government by requiring state agencies to provide a report on their fiscal health, including a list of expenses and staff cost.

By requiring regular testimony and reports to the JLAC, potential budget shortfalls and corrections will be identified and painlessly mitigated.

Thank you for your attention.



History of Budget Adjustment Bills 1971 - 2011

	<u>Type</u>	<u>Bill #</u>	<u>Act #</u>
2011-13	Budget Adjustment	SS SB 12	2011 Act 13
2011-13	Budget Adjustment	SS AB 11 /SB11	2011 Act 10
2009-11	Budget Adjustment	SB 62	2009 Act 2
2007-09	Budget Adjustment	SS AB 1	2007 Act 226
2007-09	Budget Repair	SB 39	2007 Act 5
2003-05	Budget Repair	Jan. '03 SS SB 1	2003 Act 1
2001-03	Budget Adjustment	Jan. '02 SS AB 1	2001 Act 109
1997-99	Budget Adjustment	AB 768	1997 Act 237
1995-97	Budget Adjustment	AB 935/ SB 565	1995 Act 216
1993-95	Budget Adjustment	SB 690/SB 749/AB 1180/ AB 1126	1993 Act 437
1991-93	Budget Adjustment	SB 483	1991 Act 269
1989-91	Budget Adjustment	SB 542	1989 Act 336
1987-89	"Annual" Budget	AB 850	1987 Act 399
1985-87	Budget Adjustment	Jan. '86 SS SB 1	1985 Act 120**
1983-85	1984 Budget Review	SB 663	1983 Act 212
1981-83	Budget Adjustment	AB 818/Nov. '81 SS AB 1/ Nov. '81 SS SB 1	Chapter 93, Laws of 1981
	Budget Adjustment	SB 783	Chapter 317, Laws of 1981
1979-81	Budget Review*	SB 615/ AB 1180	Chapter 221, Laws of 1979
1977-79	Budget Review*	AB 1220	Chapter 29, Laws of 1977
1975-77	Budget Review*	SB 755	Chapter 224, Laws of 1975
1973-75	Budget Review*	AB 1407/SB 905/ April '74 SS SB 3/ April '74 SS SB 1	Chapter 333, Laws of 1973
1971-73	Budget Review*	AB 1477/ AB 1610	Chapter 215, Laws of 1971

*Budget review bill was statutorily provided for; provision repealed in 1981-83 biennial budget.

** Only budget adjustment bill that was not referred to the Joint Committee on Finance.

Note: Bold bill numbers indicate the actual bill that was passed.

AGENCY	LONG NAME	IMPACT	DOLLARS
ALTC	Aging & Long-Term Care	Increase: may be possible to absorb	\$2,000
DFI	Financial Institutions	No State Fiscal Effect	
DHS	Health Services	Indeterminate	
DMA	Military Affairs	No State Fiscal Effect	
DNR	Natural Resources	Indeterminate Increase: may be possible to absorb	
DOA	Administration	Indeterminate Increase: may be possible to absorb	
DOC	Corrections	Indeterminate Increase: NOT possible to absorb	\$2,164,500
DOT	Transportation	Indeterminate Increase: may be possible to absorb	
DPI	Public Instruction	Indeterminate Increase: may be possible to absorb	
DSPS	Safety & Professional Services	Increase: may be possible to absorb	\$1,016
DVA	Veterans Affairs	No State Fiscal Effect	
DWD	Workforce Development	No State Fiscal Effect	
ERC	Employment Relations Commission	Increase: may be possible to absorb	
ETF	Employee Trust Funds	No State Fiscal Effect	
GAB	Government Accountability Board	Indeterminate Increase: may be possible to absorb	\$2,700
JUDCL	Judicial Council	No State Fiscal Effect	
LWSRB	Lower WI State Riverway Board	No State Fiscal Effect	
MCOW	Medical College of WI	Increase: NOT possible to absorb Decrease Existing Appropriations	\$50,600
PSC	Public Service Commission	No State Fiscal Effect	
RRC	Railroad Commission	No State Fiscal Effect	
SPD	State Public Defender	No State Fiscal Effect	
SWIB	State of WI Investment Board	Increase: may be possible to absorb	
TOUR	Tourism	No State Fiscal Effect	
UWS	UW System	Indeterminate Increase: NOT possible to absorb	
WEDC	WI Economic Development Corp	No State Fiscal Effect	
WTCS	WI Technical College System	Indeterminate Increase: NOT possible to absorb	

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	DSPS	Safety & Professional Services
	ERC	Employment Relations Commission
	SWIB	State of WI Investment Board
Increase: may be possible to absorb (indeterminate)	DNR	Natural Resources
	DOA	Administration
	DOT	Transportation
	DPI	Public Instruction
	GAB	Government Accountability Board
Indeterminate	DHS	Health Services
Increase: NOT possible to absorb (indeterminate)	DOC	Corrections
	UWS	UW System
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Increase: NOT possible to absorb (decrease existing \$\$)	MCOW	Medical College of WI